National Rural Electric
Cooperative Association
A Touchstone Energy® Cooperative

October 27, 2009

The Honorable Mignon L. Clyburn
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: ***A National Broadband Plan for Our Future*, GN Docket No. 09-51**
***Implementation of Smart Grid Technology*, NBP Public Notice #2**

Dear Commissioner Clyburn:

This letter is to follow-up on two inquiries made during the meeting on September 28, 2009 with you and your legal advisor, Carol Simpson; and the undersigned, David Mohre, and Tracey Steiner of the National Rural Electric Cooperative Association ("NRECA"), and Gloria Tristani, Of Counsel, Spiegel & McDiarmid LLP.

First, in our meeting you asked what NRECA believed to be the two or three critical elements for achieving the universal broadband deployment and adoption in rural America. Ms. Steiner's oral response at the meeting focused primarily on adoption, as NRECA's filed comments and our discussion up to that time had focused primarily on the deployment challenge. To reiterate, NRECA believes robust funding mechanisms, such as thorough reforms to the Universal Service Fund and other FCC funding programs like the High-Cost program, are needed to achieve deployment goals. Further, flexibility is needed because there is no "one size fits all" for sustainable deployment models. Various technology platforms and business models, including public-private partnerships, will be necessary to reach consumers in unserved and underserved areas.

Regarding adoption Ms. Steiner also noted that rural consumers need broadband service that is affordable and reliable and is provided by a trustworthy supplier. Ms. Steiner further noted the need to expose rural consumers to the benefits of broadband, such as through demonstrations at public-access computers in schools, libraries and other community anchor institutions.

These views are supported by the research done by the Pew Internet & American Life Project, which identified price, lack of interest/relevance and availability as key reasons that dial-up users gave for not switching to broadband.[1] We note that in the late 1930s and 1940s, the Rural Electrification Administration ("REA") understood that to drive adoption of electricity, rural Americans needed to understand how it would be relevant in their daily lives. Federal dollars for building infrastructure were in place, but

[1] Home Broadband Adoption 2008 (July 2008). See also Home Broadband Adoption 2009 (June 2009).

there was clearly a recognition that a "build it and they will come" mindset was not going to achieve the goals of President Roosevelt's New Deal. Americans living in rural areas had to see first-hand what electricity could do for them, and be willing to invest in electrical wiring, home appliances and farm equipment if rural electrification was going to be successful. REA took on the adoption challenge by going directly to the people.

To quote NRECA's *The Next Greatest Thing*:[2]

> *From the start, REA realized the importance of educating cooperative consumers about electricity and its uses. The agency set out to do it in a way that was typical of its early activist style.*
>
> *It took rural electrification on the road with a circus tent and trucks loaded with demonstration equipment for farm and home. This "Farm Equipment Tour" soon became known simply as "the REA circus."*
>
> *In 1939, 1940, and 1941, it toured 26 other states, demonstrating, educating and promoting. It was successful beyond its most ardent supporters' fondest dreams. Farmers and their families flocked to the circus by the thousands, eager to learn more about electricity and the many labor-saving tasks it could perform. . .*
>
> *Before the REA "big top" folded in late 1941 because of World War II, it had brought its electrifying message to one million farmers.*

Surely there are lessons to be learned from the REA experience for driving broadband adoption 70 years later.[3]

Secondly, during the meeting you asked about the experience of Choctawhatchee Electric Cooperative in deploying WiMAX which cooperative referred to in our handouts, but inadvertently misidentified.[4] Choctaw Electric Cooperative located in Oklahoma, not Choctawhatchee located in Florida, is the cooperative offering WiMAX broadband services. Apparently, the Choctawhatchee service area is well served by cable providers. Nonetheless, Choctawhatchee does provide WildBlue satellite service for those residents living beyond the reach of cable.

Choctaw Electric Cooperative utilizes WiMAX to operate public computer centers - free of charge - to the towns of Rattan and Hayworth, Oklahoma. Both computer centers are very popular with the town residents. Each is used by local students for e-mailing, homework and social networking. Town residents use the

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[2] NRECA published this book, which explores the first 50 years of rural electrification, in 1984. NRECA would be happy to provide a copy if desired.

[3] See *Bringing Broadband to Rural America* at pages 16-17 (May 2009), where then Acting FCC Chairman Michael J. Copps remarked how REA was "wildly successful."

[4] See handout *NRECA Meeting to Discuss Electric Cooperatives* at page 6. A corrected page 6 is attached to this letter.

centers' services for myriad uses, some to save the 44-cent postage by paying their electric bills on line. Other than satellite service, the public computer center represents the only broadband access Hayworth residents have. Residential WiMAX services are also offered in Rattan at a range of two miles from the town center. There are approximately twenty residential subscribers. The WiMAX speeds, at 1.2mbps downstream and 768kbps upstream, are significantly faster than satellite options and both the cooperative and the residents would like to see this range extended.

Finally, while Choctaw Electric Cooperative is happy to provide these services to the community, it is proving difficult to staff the public computer centers to meet the residents' increasing demand for broadband access.

We hope that this letter addresses your questions. If we can provide any further information please let us know. Thank you.

Pursuant to the Commission's rules, a copy of this letter is being filed electronically in the above-referenced dockets.

Sincerely,

David Predmore

Attachment

cc: Carol Simpson, FCC

Co-op Broadband Efforts

- Sho-Me Power (Missouri)
  - 5,000 miles of fiber since 1996.
  - 2009 reliability is running at > 99.9999%
- Southeast Colorado Power Association (Colorado)
  - Partnership with state in 1998 to install 600 miles of fiber to rural schools. 1,000 miles for commercial use.
- Choctaw Electric Cooperative (Oklahoma)
  - Unlicensed WiMAX (2.4 GHz)
  - 1.2Mbp down, 768 up, 2 mile radius
- Douglas Electric (Oregon)
  - Fiber and Fixed Wireless (5 GHz and 900 MHz bands) through subsidiary